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UNCLAS SECTION 01 OF 02 BAGHDAD 003174

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TAGS: [ECON](#) [ETRD](#) [EINV](#) [PREL](#) [IZ](#)
SUBJECT: PROPOSED U.S.-IRAQ CONFERENCE ON INVESTMENT
CLIMATE IN BAGHDAD

REF: A. A. BAGHDAD 3067
[B. B. BAGHDAD 3097](#)
[C. C. BAGHDAD 3090](#)
[D. D. BAGHDAD 1061](#) AND PREVIOUS

[1](#)1. (U) This is an action request. See para 7.

[1](#)2. (SBU) Summary: Embassy proposes a one-day conference on Iraq's business and investment climate in late October/early November. This is in response to DPM Salih's requests for a bilateral dialogue before the end of the year. However we do not intend for this to be a full-blown "Dialogue on Economic Cooperation." Rather we propose using a planned visit to Baghdad by Treasury Deputy Secretary Kimmitt, as well as a planned business delegation organized by the U.S. Chamber of Commerce, to focus senior GOI officials on the urgent need for specific steps to improve Iraq's business and investment climate. We hope for senior participation by other USG agencies, but because of severe constraints on embassy resources in October will need to limit the overall size of USG participation in the proposed conference. End summary.

DPM Salih Requests Conference

[1](#)3. (SBU) Deputy Prime Minister (DPM) Barham Salih has proposed to Ambassador and EMIN that a bilateral economic conference take place before the end of the year (refs A and B). The embassy proposes that we build a one-day conference on investment climate around Treasury Deputy Secretary Kimmitt's visit in late October/early November. This would not/not be a formal "Dialogue on Economic Cooperation" or DEC. The last DEC took place in Baghdad in February 2008 (Ref C); we envision a large DEC in the spring with the new U.S. Administration. Rather this session would focus solely on the business and investment climate, with the aim of encouraging GOI leadership to remove existing roadblocks to new investment and private sector development, to include full implementation of the 2006 Investment Law.

[1](#)4. (SBU) DPM Salih also requested a large business event along with the government-to-government meeting, with the goal of concluding agreement on a few large joint venture or investment deals. We believe it is more appropriate to focus now on the dialogue to improve business conditions on the ground, with a view to achieving demonstrable regulatory improvements before a major business event next year. However, it is important to include a private sector component to the planned session. We understand the U.S. Chamber (in coordination with TFBSO) plans to bring an investor group to Baghdad in October and would be willing to set aside some time for the group to participate in a roundtable discussion. In addition to the private sector, we propose seeking participation of a limited number of

representatives from other investor nations, as well as from the World Bank (highlighting the recent findings of the IFC "Doing Business" report which concluded that the business climate in Iraq has worsened over the past year). On the Iraqi side we will suggest that participants include representatives from the Provincial Investment Commissions to offer their perspective on impediments to new investment.

Proposed Participation and Next Steps

¶5. (SBU) We have discussed the general concept outlined above with DPM Salih, s designated point person for this conference. While the DPM, s staff remains focused on a high-visibility event involving senior U.S. business officials and publicizing some major deals with U.S. firms, they have tentatively agreed to the proposal for a smaller and more focused dialogue in late October as a first step. They will be discussing the proposal with DPM Salih who, along with the rest of the Iraqi government, is celebrating a Muslim holiday for the remainder of this week (the next working day is Oct. 6).

¶6. (SBU) In addition to Treasury Deputy Secretary Kimmitt, we hope to see senior participation from a limited number of USG agencies, and specifically propose State U/S Jeffrey, Commerce Deputy Secretary Sullivan, DUSD Brinkley, and AUSTR Lilienfeld. As previously announced (ref D), the Mission has a very heavy visitor burden in October, combined with the start of the move to the NEC. Given the priority we attach to improving the investment climate, however, we want this conference to take place. But we need to request very

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limited participation from Washington agencies (ideally principals plus one).

Action Request

¶7. (SBU) We request the Department and relevant Washington agencies discuss this concept, and the draft agenda that follows, and get back to us by October 6 with coordinated thinking on (a) feasibility of outlined event, (b) proposed date(s), (c) proposed participants, and (d) specific requests for GOI) as host) to consider.

¶8. (SBU) The following agenda is notional only and has not/not yet been vetted with DPM Salih. Proposed venue is the Al Rasheed Hotel in the international zone:

Proposed Title: Iraq-U.S. Dialogue on Investment Climate

9:00 Opening Remarks (5 minutes each) by DPM Salih, Treasury DepSec Kimmitt and other senior USG officials.

9:30 GOI briefs on progress and challenges in implementation of 2006 investment law and regulations, and the National Investment Council including:

- Registration of Foreign Firms
- Allocation of Land and Land Use issues
- Provincial Investment Councils, Roles and Capabilities

11:00 Investment Climate Best Practices: USG perspectives, World Bank ("Doing Business Report")

12:30 Lunch

13:30 Roundtable discussion with Provincial Investment Councils, provincial leaders.

15:00 Private Company Seminar) What do investors want to see before investing here? U.S. Chamber, TFBSO.

16:30 Investment Promotion for Iraq) What needs to be done?
- Commerce, U.S. Chamber, TFBSO

18:00 Press Conference, Closing Remarks.
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